




Report to the Auburn City Council

Action Item
Agenda Item No. 2
 City Manager's Approval

To: Honorable Mayor and City Council Members
From: Robert Richardson, City Manager
Andy Heath, Administrative Services Director
Date: February 28, 2011
Subject: CalPERS Contract Amendment Ordinance – Section 21362 (2% @ 50 Full Formula) for Local Safety Members – Second Reading

The Issue

Shall the City Council adopt an Ordinance approving an amendment to the Contract between the City of Auburn and CalPERS providing Public Employees' Retirement Law Section 20475 (Different Level of Benefits) for local safety members whereby Section 21362 (2% @ 50 Full Formula) is applicable to local safety members entering membership for the first time in the safety classification after the effective date of the amendment to the contract?

Conclusions and Recommendations

By **ORDINANCE**, approve an amendment to the contract between the City of Auburn and CalPERS, providing Public Employees' Retirement Law Section 20475 (Different Level of Benefits) for local safety members whereby Section 21362 (2% @ 50 Full Formula) is applicable to local safety members entering membership for the first time in the safety classification after the effective date of the amendment to the contract.

Background

NOTE: This item constitutes a second reading of a proposed ordinance to amend the agreement between the City of Auburn and the California Public Employee's Retirement System. The initial reading was part of the February 14, 2011 City Council Agenda.

On September 13, 2010, the City Council approved Resolutions No. 10-116 and 10-117 adopting the Memoranda of Understanding (MOU) with the Auburn Police Officer's Association and the Auburn Firefighter's Association, respectively. Additionally, the City Council will consider the recommended approval of the Auburn Police Sergeant's Association MOU on February 14, 2011. As referenced in all three of the aforementioned MOU's, the City and each respective association have agreed to amend the contract with CalPERS to provide the Public Employees' Retirement Law Section 21362 (2% @ 50

Full Formula) benefits for local safety members entering membership for the first time in the safety classification after the effective date of the amendment to the contract.

As a means to begin the process of implementing the necessary changes to the CalPERS contract, the City Council approved Resolutions No. 11-04 and 11-05 on January 10, 2011, effectuating the intent to amend the City's contract with CalPERS and disclosing the cost of providing the enhanced benefit, respectively. The final step in the contract amendment implementation process is to enact an ordinance codifying the change to the benefit structure.

Alternatives Available to Council; Implications of Alternatives

1. Adopt the ordinance as recommended by staff.
2. Do not adopt the ordinances and direct staff accordingly.

Fiscal Impact

Future annual costs will be 14.172% of reportable earnings for local safety members entering the membership for the first time after the effective date of the amendment to the contract.

Attachment – Draft Amendment to CalPERS Contract

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ORDINANCE NO. 11-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN,
CALIFORNIA APPROVING THE AMENDMENT TO THE CONTRACT
BETWEEN THE CITY OF AUBURN AND CALPERS PROVIDING
SECTION 21362 (2% @ 50 FULL FORMULA) FOR LOCAL SAFETY
MEMBERS ENTERING THE MEMBERSHIP FOR THE FIRST TIME
AFTER THE EFFECTIVE DATE OF THE AMENDMENT TO THE
CONTRACT

THE CITY COUNCIL OF THE CITY OF AUBURN DOES ORDAIN AS FOLLOWS

Section One: Amendment. An Amendment to the contract between
the City Council of the City of Auburn and the Board of Administration of the
California Public Employees' Retirement system is hereby approved. A copy of
said Amendment is attached hereto as Exhibit "A" and incorporated by
reference herein.

Section Two: Authority to Execute Amendment. The Mayor of the
City Council for the City of Auburn is hereby authorized, empowered, and
directed to execute said Amendment for and on behalf of the City of Auburn.

Section Three: Severability. Should any provision of this Ordinance,
or its application to any person or circumstance, be determined by a court of
competent jurisdiction to be unlawful, unenforceable, or otherwise void, that
determination shall have no effect on any other provision of this Ordinance or
the application of this Ordinance to any other person or circumstance and, to
that end, the provisions hereof are severable.

1 Section Four: Effective Date. Pursuant to Section 36937 of the
2 California Government Code, this Ordinance shall take effect 30 days after its
3 passage and adoption.

4 Section Five: Certification. The City Clerk shall certify to the passage
5 and adoption of this Ordinance and shall give notice of its adoption as required
6 by law. Pursuant to Government Code Section 36933, a summary of this
7 Ordinance may be published and posted in lieu of publication and posting of
8 the entire text.

9
10 DATED: _____, 2011

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12 _____
13 WILLIAM W KIRBY, MD, Mayor

14 ATTEST:

15 _____
16 Joseph G. R. Labrie, City Clerk

17 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
18 that the foregoing ordinance was duly passed at a regular meeting of the City
19 Council of the City of Auburn held on the _____ day of _____ 2011 by
the following vote on roll call:

20 Ayes:

21 Noes:

22 Absent:

23 _____
24 Joseph G. R. Labrie, City Clerk

25 APPROVED AS TO FORM:

26
27
28 _____
Michael G. Colantuono, City Attorney